



NEWSLETTER OF THE SOCIALIST PARTY OF CANADA

## Capitalism or Common Sense

There are many aspects of our daily lives that just don't make sense. For example, we have tens of thousands of people without homes. This doesn't just mean the obvious ones laying on downtown sidewalks or living under bridges, but includes those placed in motels or temporary shelters, the invisible statistics. At the same time, we have many empty houses and buildings waiting for tenants, and we certainly do not lack the materials and skilled workers to build adequate housing for all. The plight of the homeless is in the news right now with the current recession and the growth of tent cities, as those unable to pay their mortgages are thrown out of their homes. Forty per cent of those who have recently lost their homes in the US are renters who paid their rent, only to see their landlords foreclosed. They are turfed out of their homes to live in tent cities or shelters, while their homes remain empty waiting months or years for a buyer. Similarly, there are hundreds of thousands of Canadians who cannot afford adequate food for themselves and their families. They include many who have full time, low-paying jobs, unable, after paying rent and other expenses, to buy all the food they need. For those growing numbers without jobs, unemployment and welfare rates are designed to keep the industrial reserve army, the necessary labour pool that can be drawn on in boom times, barely alive until the next call to work. Hence, the constant and expanding line-ups at the new growth industry, food banks. While these families go

without food, all grocery stores are packed to the ceiling with every conceivable food item, and, again, we do not lack the ability to provide food for everyone. Then there is the constant scourge of poverty, the condition that every government promises to abolish, or, at least, reduce, but one that continues to grow. For example, Ontario's Liberal government promised to reduce poverty in the province by 25% over five years on taking office for its second term, but now are backpedaling furiously, citing the economic climate. Perhaps they meant some 'other' five years, sometime in the future and not the next five years! Poverty means lining up at food banks for hand outs; wearing shoddy, used clothing; neglecting health problems; foregoing educational opportunities or 'luxuries' like eating in a restaurant or going to the movies, and many more indignities that make you a second class citizen. For those in poverty, it is a life of despair and struggle, wasted lives, wasted talents. Would anyone wish homelessness, hunger, or poverty on someone else? Not likely, yet it continues to exist and we feel helpless to do anything about it. The problems are just too large and complex to contemplate. Some do make contributions, and some try to rouse the politicians to action, but to no avail. Why, then, doesn't the government solve these blights on society? The answer is that to do so, in this system, would require a lot of money for programs that could not be squeezed from the barely adequate wages that most workers receive and, therefore, would

have to come from the only other source of wealth, profits. Here, the dictates of capital take over. In a system whose very existence is for the accumulation of wealth in the interests of the small minority that own the means wealth production and distribution, taking large amounts of money from that goal without creating more money, not only goes against the grain, but would destroy the purpose of the system itself. Although I am sure most of the owning class would, themselves, like to see people adequately fed and housed, and many do contribute to charities for that purpose, the system of constantly expanding production for constantly expanding capital simply cannot tolerate using money for purposes other than increased profit. We are seeing in today's recession the results of contracted production and contracted profit expectations. To deal with the above problems, then, and many others in our society, the current 'production for profit only' system must be replaced by production for use, to meet human, not capital needs. That can only happen when ownership and control of wealth production and distribution is in all of our hands. Until then, the problems will persist forever, and promises and rhetoric to the contrary, are just that.

### Common Ownership

means that the resources of the world and the means to produce useful goods from them would be owned by everyone and, therefore, by no one. All humanity would be producers meeting as equals to decide what, how, and where to produce based solely on mankind's needs. Distribution of goods and services would deny no one access to what they needed. This system would end the present class system and render money, trade, employment, exploitation, want, and war obsolete.



We welcome correspondences with our readers. Send email to [spc@iname.com](mailto:spc@iname.com) or write us at BOX 4280, Victoria BC, V8X 3X8

# End the Recessions Forever

The frustration of this global recession has become palpable as large swaths of the Canadian economy begin to feel the crunch. According to Statistics Canada, in the month of January some 129 000 jobs were lost, bringing the national unemployment rate to 7.2 percent and rising. Many companies are shortening their work week, and renegotiating union contracts in an effort to protect themselves from any further capital losses. Owing to the previous decade of economic prosperity, many Canadians now suffer from overwhelming credit card debt and large mortgages for homes whose market value is rapidly declining. If the past seven years were to be considered a global economic party, workers everywhere are now feeling the hangover. In these economic times, the future for many workers is uncertain. In a world of abundance it is a downright shame that families are faced with lack and have such a fearful outlook.

It is because the world's means of producing wealth are based upon the private ownership by the capitalist class that we rather repetitively find ourselves in these lousy economic declines. All wealth is produced by and at the expense of the working class. Decisions about what to produce, how much to produce and where to distribute the products of our labour are based solely upon the expectation of making a profit. Workers do not become homeless because there isn't enough housing, just like families do not go short on food because there is a shortage of it. Capitalism in general, has been very successful when it comes to producing large amounts of wealth. Never in the history of mankind have we lived in a world of such an abundance of wealth. Where capitalism fails is in its ability to distribute that wealth to

those who need it. Many families are short on food, housing, hydro and transportation, but it is not because there is a shortage of these things that many have to go without. The truth is very simple, if you can't pay, you can't play.

Generally recessions are the result of overproduction. During times of economic prosperity companies must compete against each other by producing more and cheaper goods for consumers. Eventually production overshoots the consumer demand causing companies to slow or even cease production completely in order to survive. The result of this is shortened work weeks, loss of jobs, and frozen pay increase rates. Many companies are forced to restructure by moving their business to countries where labour costs are significantly less expensive. It comes as no surprise when we see how many manufacturing jobs were lost in Canada to Mexican and Asian workers in the past decade alone. The calculation is elementary to the capitalist. The average rate of pay for a Canadian worker is around \$18.00 per-hour, while the average Mexican worker receives just \$2.00 per hour to do the same job. The blame lies not with the Mexican and Asian workers who are "stealing" our jobs, but rather the entire economic system that lives by the law of profit over people. Production always moves to the place with the lowest labour costs, this is a fundamental law of capitalist production much like the law of gravity in physics.

The solution to this recession and to all future recessions is the abolishment of the private ownership of the means for producing and distributing wealth and the conversion of these means into democratic common ownership by all workers everywhere. Rath-

er than the law of profit determining distribution of the wealth of society, democracy would be used to make decisions about what to produce, how much to produce and where to distribute it.

Currently the power exercised by the state is one of the ways that domination over labour and capital is maintained by the capitalist class. The socialist party therefore maintains that this power must be wrested from the hands of the capitalist through the democratic ballot. The capture of the political apparatus by elected socialist delegates would immediately render the capitalist class powerless, and would empower the working class with the democratic means by which we may finally have control over our own destiny. Furthermore, with a majority of socialists having taken over democratic control, common ownership of the means of production would then be instituted. The result of this would be the democratic administration of a classless society based upon the common ownership of the means of producing wealth and the distribution of wealth according to self determined needs. The abolishment of the state apparatus simply means the abolishment of the capitalists class' privilege of operating society to their benefit alone, and the restructuring of society to operate according to the interests of the majority.

Common ownership is the only way in which the human race can guarantee a life of privilege for all. Until the emancipation of the working class from their degrading and exploited position in society is achieved, we are all fated to the continuing cycles of recessions and booms. Furthermore, so long as capitalism remains the social economic system we are assured that a small portion of humanity

lives a life of privilege and abundance, while the rest of us continue a life of uncertainty and want. We encourage you to learn more about The Socialist Party and the broader Socialist Movement, and to lend your hand in hastening the social revolution necessary to ensure a prosperous life for your family and the future generations to come.

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